



CFS do Brasil Indústria, Comércio, Importação e  
Exportação de Aditivos Alimentícios LTDA.

## **Financial Statements**

March 31, 2018

**Report of the auditors of CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.**

**To Kalyaniwalla & Mistry LLP**

**Auditors of Camlin Fine Sciences Limited Group**

We have audited the accompanying Financial Statements of CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. ("the Company"), which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory information and the accompanying special purpose financial information of CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. together called the Fit for Consolidation Financial Statement (FFC).

**Management's Responsibility for the Fit for Consolidation Accounts (FFC)**

The Company's Management is responsible for the preparation and fair presentation of the FFC in accordance with the instructions received from Camlin Fine Sciences Limited and Kalyaniwalla & Mistry LLP, the auditors of Camlin Fine Sciences Limited and the accounting policies set out in the group audit instructions. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the FFC Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these FFC based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the FFC are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the FFC Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the FFC Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the FFC financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the FFC Financial Statements.

### Opinion

As requested by you, vide your communication dated March 26, 2018, and solely for your use for expressing an audit opinion on the Consolidated Financial Statements of Camlin Fine Sciences Limited, we report that the attached FFC present fairly, in all material respects, the financial position of CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. as at March 31, 2018 and of its financial performance and cash flows for the year then ended and are properly prepared in accordance with the group accounting policies and the instructions referred to above and are in conformity with Group Accounting Policies and Instructions on a basis consistent with that of the preceding year.

### Emphasis

We draw attention to Note 5 to the accompanying special purpose financial information - Fit for Consolidation Accounts (FFC), which describes that the realization of the deferred taxes assets depends on the generation of future taxable income, expected by management to occur from the next fiscal year, according to its budget and strategy.

### Other matters

- (a) In particular and with respect to Camlin Fine Sciences Limited and the other components in the Camlin Fine Sciences Limited Group, referred to in **Para 1.2** of the Group Audit Instructions, we are independent and comply with the applicable requirements of the International Standards on Auditing.

The FFC has been prepared for purposes of providing information to Camlin Fine Sciences Limited to enable it to prepare the consolidated financial statements of Camlin Fine Sciences Limited. The special purpose financial information is not a complete set of financial statements of the Company and thus not suitable for any other purpose. This report is intended solely for the purpose of expressing an audit opinion on the Consolidated financial statements of Camlin Fine Sciences Limited by Kalyaniwalla & Mistry LLP and should not be used for any other purpose or distributed to other parties.

- (b) The compared Fit for Consolidation Financial Statement (FFC) of CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. for the year ended March 31, 2017 has not been audited neither reviewed by us or another auditor. The comparative balance sheet at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year than ended included in FFC were audit by other auditors, which issued an unqualified opinion, dated March 31, 2017, according to IFRS (International Financial Reporting Standards).

May 22, 2018

*Do Agro Auditores*

Do AGRO Auditores Independentes S/S

CNPJ: 21.982.096/0001-29

CRC no. 2SP 033044

*Carla Morales Cordero*

Carla Morales Cordero

CPF: 181.321.738-64

CRC no. 1SP 214.927

**CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios LTDA.**

**Balance Sheet at March, 31**  
**Amounts in R\$**

Particulars	Note	mar/18	mar/17	abr/16
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	3.022.318	2.998.726	1.220.281
Capital work-in-progress	3	-	-	-
Investment Property		-	-	-
Other Intangible Assets	3	35.107	15.608	-
Intangible Assets under development		-	-	-
<b>Financial Assets</b>				
Investments		-	-	-
Loans		-	-	-
Other financial assets	4	52.773	24.000	24.000
Deferred tax assets (net)	5	2.077.836	1.413.588	1.128.076
Other non-current assets		-	-	-
<b>Total Non-current Assets</b>		<b>5.188.033</b>	<b>4.451.922</b>	<b>2.372.357</b>
<b>Current Assets</b>				
Inventories	6	5.191.452	3.102.886	3.577.554
<b>Financial assets</b>				
Investments		-	-	-
Trade receivables	7	4.402.241	2.044.162	2.746.074
Cash and cash equivalents	8	45.824	44.573	178.777
Other bank balances		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
<b>Current Tax Assets (Net)</b>				
Other current assets	9	4.288.491	2.741.991	2.253.300
<b>Total Current Assets</b>		<b>13.928.008</b>	<b>7.933.611</b>	<b>8.755.706</b>
<b>TOTAL ASSETS</b>		<b>19.116.042</b>	<b>12.385.533</b>	<b>11.128.063</b>

**CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios LTDA.****Balance Sheet at March, 31**  
**Amounts in R\$**

<b>Particulars</b>	<b>Note</b>	<b>mar/18</b>	<b>mar/17</b>	<b>abr/16</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	1.250.000	1.250.000	1.250.000
Other Equity	11	(6.634.256)	(4.020.101)	(2.222.295)
		<b>(5.384.256)</b>	<b>(2.770.101)</b>	<b>(972.295)</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	12	6.647.599	3.044.597	3.419.839
Other financial liabilities		-	-	-
Provisions		-	-	-
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>6.647.599</b>	<b>3.044.597</b>	<b>3.419.839</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	13	1.374.258	397.014	491.145
Trade Payables	14	15.463.302	11.091.434	7.925.602
Other financial liabilities	15	717.897	370.803	109.826
Other current liabilities	16	297.242	251.785	153.946
Provisions		-	-	-
Current tax liabilities (net)		-	-	-
<b>Total Current Liabilities</b>		<b>17.852.699</b>	<b>12.111.036</b>	<b>8.680.519</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19.116.042</b>	<b>12.385.533</b>	<b>11.128.063</b>

The accompanying notes 1 to 31 form an integral part of the Financial Statements

As per our report of even date.

**Do AGRO Auditores Independentes S/S**

CNPJ: 21.982.096/0001-29 - CRC no. 2SP033044

**Carla Morales Cordero**

CRC no. 1SP 214.92

Date: 15/05/2018

**Statement of the operations**

**Twelve months period ended on March, 31**

**Amounts in R\$**

	Particulars	Note	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>INCOME</b>				
	Revenue from Operations	17	12.583.851	8.463.139
	Other Income	18	13.738	1.243.893
<b>Total Income</b>			<b>12.597.589</b>	<b>9.707.032</b>
<b>EXPENSES</b>				
	Cost of Material Consumed	19	2.437.454	2.119.149
	Purchases of Stock-in-Trade	20	6.384.673	4.576.189
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress	21	312.437	437.589
	Excise Duty		-	-
	Employee Benefits Expense	22	1.712.606	1.183.732
	Finance Costs	23	505.665	475.875
	Depreciation and Amortization Expense	24	361.064	240.751
	Other Expenses	25	4.162.093	2.757.065
<b>Total Expenses</b>			<b>15.875.993</b>	<b>11.790.350</b>
<b>Profit before tax</b>			<b>(3.278.403)</b>	<b>(2.083.318)</b>
<b>Tax Expense</b>		26		
	Current tax		-	-
	Deferred tax		(664.249)	(285.512)
			<b>(664.249)</b>	<b>(285.512)</b>
<b>Profit / (Loss) for the year</b>			<b>(2.614.155)</b>	<b>(1.797.806)</b>

The accompanying notes 1 to 31 form an integral part of the Financial Statements

As per our report of even date.

**Do AGRO Auditores Independentes S/S**

CNPJ: 21.982.096/0001-29 - CRC no. 2SP033044

**Carla Morales Cordero**

CRC no. 1SP 214.92

Date: 15/05/2018

**CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios LTDA.**

**Changes in equity**

**Amounts in R\$, unless indicated**

	<b>Capital</b>	<b>Accumulated loss</b>	<b>Total</b>
<b>Balances on March 31th, 2016</b>	<b>1.250.000</b>	<b>(2.222.295)</b>	<b>(972.295)</b>
Profit for the period		(1.797.806)	(1.797.806)
<b>Balances on March 31th, 2017</b>	<b>1.250.000</b>	<b>(4.020.101)</b>	<b>(2.770.101)</b>
Loss for the period		(2.614.155)	(2.614.155)
<b>Balances on March 31th, 2018</b>	<b>1.250.000</b>	<b>(6.634.256)</b>	<b>(5.384.256)</b>

**CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios LTDA.**

**Cash flows**

**Amounts in R\$, unless indicated**

	<b>2.018</b>	<b>2.017</b>
Net loss for the period	(3.278.404)	(2.083.317)
Adjustments of the net loss:		
Depreciation and Amortization	361.064	240.751
Interests	485.774	403.703
Exchange Variation	1.294.166	(396.789)
	2.141.004	247.664
Variance on Assets		
Accounts Receivable	(2.092.086)	435.918
Taxes to Recover	(1.290.621)	(499.095)
Other Credits	(288.861)	(6.851)
Prepaid Expenses	11.294	17.255
Inventory	(2.088.567)	474.669
Variance on Liabilities		
Suppliers	897.045	(136.404)
Suppliers Related Party	3.785.341	2.993.389
Tax and Payroll Liabilities	(36.662)	37.756
Labor Charges	82.120	60.083
Other Liabilities	(324.896)	308.510
<b>Cash generated by Operations</b>	<b>(2.483.293)</b>	<b>1.849.578</b>
Paid Interests	(51.125)	(120.842)
<b>Cash flow from operating activities, net</b>	<b>(2.534.419)</b>	<b>1.728.736</b>
<b>Investment activities</b>		
Fixed Assets Acquisitions	(376.854)	(2.019.195)
Intangible Assets Acquisitions	(27.300)	(15.608)
<b>Cash flow from investment activities</b>	<b>(404.155)</b>	<b>(2.034.803)</b>
<b>Financing activities</b>		
Acquisition of Loans	3.534.801	835.630
Loans Payments	(597.478)	(652.228)
<b>Cash flow from financing activities</b>	<b>2.937.323</b>	<b>183.402</b>
<b>Cash reduction in the period</b>	<b>(1.251)</b>	<b>(122.665)</b>
Cash and cash equivalents at de beginning of the Period	45.824	167.238
Cash and cash equivalents at the End of the Period	44.573	44.573
<b>Increase on Cash or Cash Equivalents</b>	<b>(1.251)</b>	<b>(122.666)</b>



**1. Operational context**

- a. CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda, was founded in May 16th 2013 and it is located in Indaiatuba, State of São Paulo. The company's purpose is the commerce, distribution and production of food additives for human and animal nutrition, flavourings, additives for biodiesel and any other products related to that business.
- b. The company started investments on two subsidiaries in South America, one in Chile, which objective is to distribute pet-food products produced in Brazil, and other in Argentina, which will produce blends to biodiesel business.
- c. The company fiscal year ends on March 31st of each year.
- d. The present financial statements and related notes were approved by the management in May 15, 2018.

**2. Accounting practices resume**

The main accounting practices used to prepare the financial statements are presented below:

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards - IFRS.

**2.2 Foreign currency transactions**

The financial statements are presented in Reais (R\$) which is the company's functional currency. Transactions in foreign currency are initially registered at the currency exchange rate valid on the transaction date and all variations are registered in the result statement.

**2.3. Cash and cash equivalents**

Cash and cash equivalents include money in cash, bank deposits and other high liquidity, short-term investments that are readily convertible into a known cash amount and subject to an insignificant risk of value change.

**2.4 Accounts receivable**

The accounts receivable from customers correspond to values receivable due to sales and services during the normal activities of the Company. If the deadline for the receivable is equivalent to a year or less, the accounts receivables are classified as a current asset. Otherwise, they are presented in non-current asset.

**2.5 Inventories**

Inventories are disclosed by cost or by net realizable value, the lowest one.

Cost is determined using "weighted average cost" and the net realizable value correspond to the selling price less related cost.

Finished product cost is calculated by the sum of raw material, package, manufacturing, other direct costs and indirect production costs.

Inventory in transit are presented by the cost of purchase of raw materials whose risk was transferred to the company but not the benefits.

## **2.6. Fixed assets**

Fixed assets are shown by purchase cost less the accumulated depreciation. The cost includes the purchase price and every other cost directly related until it gets to its operating conditions.

The useful life of the asset is determined according to Brazilian law SRF nº 162/1998.

## **2.7 Income Tax**

Taxation on profit comprises Income tax and Social Contribution Tax. The first one is computed on the taxable profit of 15% plus 10% on profit above R\$ 240.000 in the 12 months period. Social Contribution is computed of 9% over the taxable profit and recognized by the accrual basis.

Deferred income taxes are generated by temporary differences on the balance date between the tax bases and their accounting values and also by fiscal losses.

Asset deferred taxes are recognized when it is likely that the taxable profit will be available to compensate these credits.

The accounting value of the deferred taxes is measured at the tax rate expected for the year, based on the tax law, being reviewed at every balance date and written off when it is no longer likely that taxable profits will be available to allow all or part of the deferred tax asset to be offset with this tax credits.

## **2.8 Other assets and liabilities**

Liabilities are registered in the statement when the Company has a legal obligation constituted from past events that will result in an output of funds. Accruals are recognized reflecting the estimates of risks involved.

Assets are registered when it is likely that future economic benefits will flow to the Company and their cost and value can be reliably measured.

Assets are registered by their realization or liquidation values, adding, when applicable, profits or charges incurred, computed up to the balance date. They are classified as current when benefits are expected during the next year end and as non-current when the period for benefits are expected to be over this period.

## **2.9. Use of estimates**

The preparation of financial statements requires management to make estimates to account for certain assets, liabilities and other transactions. Estimates are used for useful lives of property, plant and equipment, the determination of tax credits and provisions for income tax and social contribution and others similar. Actual results could differ from those estimates.

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 3. Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation			Net Block
	As at April 1, 2017	Additions during the year	Disposals during the period / year	As at March 31, 2018	As at April 1, 2017	Depreciation charge for the period	As at March 31, 2018	As at March 31, 2018
<b>Tangible Assets</b>								
Freehold Land	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-
Lease Hold Improvement	299.010	7.947	-	306.957	299.010	20	299.030	7.927
Factory & Other Building	-	-	-	-	-	-	-	-
Site Development	132.388	82.176	-	214.564	34.247	19.265	53.512	161.052
Plant, Equipment & Machinery	2.919.611	269.243	-	3.188.854	214.854	301.833	516.687	2.672.167
<b>Furniture &amp; Fixtures</b>	-	-	-	-	-	-	-	-
Owned	198.923	1.700	-	200.623	35.854	19.954	55.808	144.815
Leased	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
ERP Hardware Cost	53.783	19.690	-	73.473	21.024	16.092	37.116	36.357
<b>R&amp;D Assets</b>	-	-	-	-	-	-	-	-
R&D Assets	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>3.603.715</b>	<b>380.756</b>	<b>-</b>	<b>3.984.471</b>	<b>604.989</b>	<b>357.164</b>	<b>962.153</b>	<b>3.022.318</b>
<b>Intangible Assets</b>								
ERP Software Cost	20.518	23.400	-	43.918	4.910	3.901	8.811	35.107
Technical Know-How	-	-	-	-	-	-	-	-
Development expenditure	-	-	-	-	-	-	-	-
R & D Processing fees	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>20.518</b>	<b>23.400</b>	<b>-</b>	<b>43.918</b>	<b>4.910</b>	<b>3.901</b>	<b>8.811</b>	<b>35.107</b>
<b>GRAND TOTAL (A+B)</b>	<b>3.624.233</b>	<b>404.156</b>	<b>-</b>	<b>4.028.389</b>	<b>609.899</b>	<b>361.065</b>	<b>970.964</b>	<b>3.057.425</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

Particulars	Gross Block				Accumulated Depreciation			Net Block
	As at April 1, 2016	Additions during the year	Disposals during the period / year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the period	As at March 31, 2017	As at March 31, 2017
<b>Tangible Assets</b>								
Freehold Land	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-
Lease Hold Improvement	263.327	35.683	-	299.010	202.821	96.189	299.010	-
Factory & Other Building	-	-	-	-	-	-	-	-
Site Development	132.388	-	-	132.388	20.975	13.272	34.247	98.141
Plant, Equipment & Machinery	999.581	1.920.180	150	2.919.611	110.521	104.333	214.854	2.704.757
<b>Furniture &amp; Fixtures</b>								
Owned	140.229	58.694	-	198.923	18.363	17.491	35.854	163.069
Leased	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
ERP Hardware Cost	48.995	4.788	-	53.783	11.558	9.466	21.024	32.759
<b>R&amp;D Assets</b>								
R&D Assets	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>1.584.520</b>	<b>2.019.345</b>	<b>150</b>	<b>3.603.715</b>	<b>364.238</b>	<b>240.751</b>	<b>604.989</b>	<b>2.998.726</b>
<b>Intangible Assets</b>								
ERP Software Cost	4.910	15.608	-	20.518	4.910	-	4.910	15.608
Technical Know-How	-	-	-	-	-	-	-	-
Development expenditure	-	-	-	-	-	-	-	-
R & D Processing fees	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>4.910</b>	<b>15.608</b>	<b>-</b>	<b>20.518</b>	<b>4.910</b>	<b>-</b>	<b>4.910</b>	<b>15.608</b>
<b>GRAND TOTAL (A+B)</b>	<b>1.589.430</b>	<b>2.034.953</b>	<b>150</b>	<b>3.624.233</b>	<b>369.148</b>	<b>240.751</b>	<b>609.899</b>	<b>3.014.334</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 4. Other non-current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	52.773	24.000	24.000
	<b>52.773</b>	<b>24.000</b>	<b>24.000</b>

## 5. Deferred tax assets

Particulars	As at March 31, 2017	Recognised in profit or loss	As at March 31, 2018
Pre-operating expenses	50.079	(3.347)	46.732
Allowance for doubtful credits	-	-	-
Tax loss	1.363.509	667.595	2.031.104
	<b>1.413.588</b>	<b>664.248</b>	<b>2.077.836</b>

Particulars	As at April 1, 2016	Recognised in profit or loss	As at March 31, 2017
Pre-operating expenses	55.101	(5.022)	50.079
Allowance for doubtful credits	3.672	(3.672)	-
Tax loss	1.069.303	294.206	1.363.509
	<b>1.128.076</b>	<b>285.512</b>	<b>1.413.588</b>

Based on the business strategy, overall business scenario and future projections, the Management of the Company is certain of realising the deferred tax assets.

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 6. Inventories

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Raw material and components			
	(i) in stock	1.133.958	9.682	94.586
	(ii) in transit	2.122.592	845.865	798.041
(b)	Work-in-Progress	-	-	-
(c)	Finished Goods	609.341	213.243	117.831
(d)	Stock in Trade	1.325.561	2.034.096	2.567.097
(e)	Stores and Spares	-	-	-
		<b>5.191.452</b>	<b>3.102.886</b>	<b>3.577.554</b>

## 7. Trade Receivables

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Trade Receivables - Unsecured			
(i)	Considered Good	4.402.241	2.044.162	2.746.074
(ii)	Considered Doubtful	-	-	15.300
	Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	-	-	(15.300)
		<b>4.402.241</b>	<b>2.044.162</b>	<b>2.746.074</b>

## 8. Cash and cash equivalents

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a)	Balances with banks			
	(i) in current accounts	41.634	41.794	175.982
(b)	Cash on hand	4.190	2.779	2.796
		<b>45.824</b>	<b>44.573</b>	<b>178.777</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 9. Other current assets

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Advances to material suppliers	28.061	73.736	385.804
(b)	Prepaid Expenses	13.631	17.839	35.094
(c)	Balance with statutory / government authorities (i)	3.489.564	2.198.944	1.699.849
(d)	Others	757.235	451.472	132.553
		<b>4.288.491</b>	<b>2.741.991</b>	<b>2.253.300</b>

(i)

	2018	2017
Income tax withholding	1.402	1.400
PIS/COFINS	508.052	206.431
ICMS	2.857.985	1.876.929
IPI	65.161	22.978
Income tax	29.335	63.576
CSLL	25.047	25.047
Others	2.582	2.582
	<b>3.489.564</b>	<b>2.198.944</b>

Operations in Brazil are predominantly related to Imports of goods, in which operations the company accrues credit of ICMS in amounts equivalent to 18% of the total value of the operation. In interstate sales, which correspond to approximately 75% of the total volume of sales, the Company is charged in 12% (over sales to the south and southeast) or in 7% (over sales processed to north, northeast and central west states). In addition, sales for animal nutrition products are not charged of ICMS within the state of São Paulo and for interstate sales of these products there is a reduction in the tax calculation base of 60%. For these reasons, the Company systematically accumulates ICMS credits once debits generated on sales are always inferior to the credit accrued on acquisitions.

In November 2016, the Company started a process of credit recover under the law CAT 207/2009 at the São Paulo State Treasury Department (SEFAZ) to realize part of the accumulated value. The process is reported by the online system "E-CREDAC" as under analysis since January 2017. On December 2017, the company started a new process under the law CAT 83/2009 to recover all the accumulated value.

According to our consultants it is expected that the company recover R\$ 2,2 million of ICMS within the next 12 months.

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

**10. Equity and share capital**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Issued, subscribed and paid up share capital	1.250.000	1.250.000	1.250.000
	<b>1.250.000</b>	<b>1.250.000</b>	<b>1.250.000</b>

**11. Other equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Retained earnings</b>			
Balance, beginning of the year	(4.020.101)	(2.222.295)	(1.306.109)
Profit of the year	(2.614.155)	(1.797.806)	(916.186)
	<b>(6.634.256)</b>	<b>(4.020.101)</b>	<b>(2.222.295)</b>

**12. Non-current borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Term Loans</b>			
Loans from related parties	6.647.599	3.044.597	3.419.839
Less: Current maturities of loans from related parties	-	-	-
	<b>6.647.599</b>	<b>3.044.597</b>	<b>3.419.839</b>

**13. Current borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Short term borrowings</b>			
From banks - Secured	1.374.258	397.014	491.145
	<b>1.374.258</b>	<b>397.014</b>	<b>491.145</b>



## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 14. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to related parties	14.389.576	10.604.233	7.610.844
Other trade payables	1.073.726	487.201	314.758
	<b>15.463.302</b>	<b>11.091.434</b>	<b>7.925.602</b>

## 15. Other current financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of borrowings from related parties	-	-	-
Interest accrued on loans from related parties	717.897	356.425	95.112
Other outstanding liabilities	0	14.378	14.714
	<b>717.897</b>	<b>370.803</b>	<b>109.826</b>

## 16. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tax payable	55.749	92.557	50.174
Other statutory dues	241.493	159.228	103.772
	<b>297.242</b>	<b>251.785</b>	<b>153.946</b>

## 17. Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) <b>Sale of products</b>		
Finished goods	2.918.341	2.604.293
Traded goods	9.200.058	5.334.277
	<b>12.118.399</b>	<b>7.938.570</b>
(b) <b>Other operating revenues</b>		
Commission	465.453	524.569
	<b>12.583.851</b>	<b>8.463.139</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 18. Other incomes

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Interest Income</b>		
Bank deposits	12.482	5.923
Financial assets carried at amortised cost	2.736	-
	<b>15.218</b>	<b>5.923</b>
<b>(b) Other non-operating income</b>		
Gain on foreign currency transactions and translation (net)	-	1.221.755
Miscellaneous receipts	(1.480)	16.214
	<b>(1.480)</b>	<b>1.237.969</b>
	<b>13.738</b>	<b>1.243.893</b>

## 19. Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock of raw materials	855.546	892.627
Add:- Purchases of raw materials	4.838.458	2.082.068
Less:- Closing stock of raw materials	3.256.550	855.546
	<b>2.437.454</b>	<b>2.119.149</b>

## 20. Purchase of stock in trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of stock in trade	6.384.673	4.576.189
	<b>6.384.673</b>	<b>4.576.189</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

**21. Changes in inventories of finished goods, stock in trade and work in progress**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening inventory</b>		
Finished goods	213.243	2.684.928
Stock in trade	2.034.096	
Work in progress	-	
	<b>2.247.339</b>	<b>2.684.928</b>
<b>Closing inventory</b>		
Finished goods	609.341	213.243
Stock in trade	1.325.561	2.034.096
Work in progress	-	-
	<b>1.934.902</b>	<b>2.247.339</b>
	<b>312.437</b>	<b>437.589</b>

**22. Employee benefit expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	1.637.337	1.160.214
Staff welfare expenses	75.269	23.518
	<b>1.712.606</b>	<b>1.183.732</b>

**23. Finances Cost**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense	447.130	407.590
Other borrowing costs	58.535	68.285
	<b>505.665</b>	<b>475.875</b>

**24. Depreciation and amortization**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment	357.163	240.751
Amortisation on intangible assets	3.901	-
	<b>361.064</b>	<b>240.751</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 25. Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	71.827	14.391
Power and fuel	41.212	39.906
Rent	180.631	135.506
Rates and taxes	21.367	43.300
Insurance	25.562	35.958
Repairs to buildings	-	-
Repairs to plant and equipment	46.365	24.489
Repairs to other property, plant and equipment	170.953	165.712
Sub contracting charges	-	-
Labour charges	702	4.373
Advertisement and sales promotion	338.560	218.437
Transport and forwarding charges	541.746	179.849
Commission / discount / service charges on sales	7.323	6.084
Travelling and conveyance	681.039	596.979
Directors' fees	-	-
Payment to statutory auditors		
as auditors (for audit, limited reviews, audit of financial statements)	46.487	44.922
for taxation matters		
for other services		
for re-imbursement of expenses		
Legal & professional fees	765.959	884.202
Bad debt written off	-	-
Less: Adjusted against allowance for bad and doubtful debts	-	-
Bad advances written off	-	-
Less: Adjusted against allowance for bad and doubtful advances	-	-
Allowance for bad and doubtful debts	-	-
Allowance for bad and doubtful advances	-	-
Provision for impairment in investments	-	-
Loss on property, plant & equipment discarded	-	-
Loss on foreign currency transactions and translation (net)	880.520	-
Miscellaneous expenses	341.840	362.957
	<b>4.162.093</b>	<b>2.757.065</b>

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

## 26. Income tax recognized in profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax</b>		
In respect of current year	-	-
In respect of prior year	-	-
<b>Deferred tax</b>		
In respect of current year	(664.249)	(285.512)
	<b>(664.249)</b>	<b>(285.512)</b>

## 27. Financial instruments – fair values and risk management

## a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2018		Carrying amount			Fair value			
		Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>Non Current</b>							
	Investments in Equity Instruments		-	-				
	Loans		-	-				
	Deposits		52.773	52.773			52.773	52.773
	Other Non Current Financial Assets		-	-				
	<b>Current</b>							
	Investments		-	-				
	Trade receivables		4.402.241	4.402.241				
	Cash and cash equivalents		45.824	45.824				
	Loans		-	-				
	Deposits		-	-				
	Other Current Financial Assets		-	-				
		-	<b>4.500.838</b>	<b>4.500.838</b>	-	-	52.773	52.773
<b>Financial Liabilities</b>	<b>Non Current</b>							
	Borrowings		6.647.599	6.647.599				
	<b>Current</b>							
	Borrowings		1.374.258	1.374.258				
	Current maturities of long term borrowings		-	-				
	Trade payables		15.463.302	15.463.302				
	Other Current Financial Liabilities		717.897	717.897				
		-	<b>24.203.056</b>	<b>24.203.056</b>	-	-	-	-

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

Brazilian Real

March 31, 2017		Carrying amount			Fair value			
		Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
	<b>Non Current</b>							
	Investments in Equity Instruments		-	-				
	Loans		-	-				
	Deposits		24.000	24.000			24.000	24.000
	Other Non Current Financial Assets		-	-				
	<b>Current</b>							
	Investments		-	-		-		
	Trade receivables		2.044.162	2.044.162				
	Cash and cash equivalents		44.573	44.573				
	Loans		-	-				
	Deposits		-	-				
	Other Current Financial Assets		-	-				
		-	2.112.735	2.112.735				
<b>Financial Liabilities</b>								
	<b>Non Current</b>							
	Borrowings		3.044.597	3.044.597				
	Trade payables		-	-				
	<b>Current</b>							
	Borrowings		397.014	397.014				
	Current maturities of long term borrowings		356.425	356.425				
	Trade Payables		11.091.434	11.091.434				
	Other Current Financial Liabilities		14.378	14.378				
		-	14.903.849	14.903.849				

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

April 1, 2016	Brazilian Real						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
<b>Non Current</b>							
Investments in Equity Instruments		-	-				
Loans		-	-				
Deposits		24.000	24.000			24.000	24.000
Other Non Current Financial Assets		-	-				
<b>Current</b>							
Investments		-	-		-		
Trade receivables		2.746.074	2.746.074				
Cash and cash equivalents		178.777	178.777				
Loans		-	-				
Deposits		-	-				
Other Current Financial Assets		-	-				
	-	<b>2.948.851</b>	<b>2.948.851</b>				
<b>Financial Liabilities</b>							
<b>Non Current</b>							
Borrowings		3.419.839	3.419.839				
Trade Payables		-	-				
<b>Current</b>							
Borrowings		491.145	491.145				
Current maturities of long term borrowings		95.112	95.112				
Trade Payables		7.925.602	7.925.602				
Other Current Financial Liabilities		14.714	14.714				
	-	<b>11.946.411</b>	<b>11.946.411</b>				

## b) Fair value hierarchy

All assets and liabilities for which fair value is disclosed are categorised within the fair value hierarchy, described as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

## c) Measurement of Fair Value

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

(i) The management assesses that fair values of trade receivables, cash and cash equivalents, loans, trade payables, current borrowings, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assesses that the carrying amount of certain non-current loans, non-current financial

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

liabilities and long-term borrowings at floating interest rates are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(ii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

c) Financial risk management

The activities of the Company exposes it to a number of financial risks, namely credit risk, liquidity risk and market risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance.

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit Risk
- (ii) Liquidity Risk
- (iii) Market Risk.

Market risk comprises three types of risk:

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk

## 28. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions, foreign exchange transactions and financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, short term investment, trade receivables and other financial assets excluding equity investments.

### Trade receivables:

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored.

The ageing of trade receivables is as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Not due	3.809.653	1.465.421	2.398.261
0-180 days	54.030	10.544	15.300
181-365 days	-	152.425	
365-730 days	152.425	15.396	
730-1095 days	15.396		
Above 1095 days			
	<b>4.031.503</b>	<b>1.643.786</b>	<b>2.413.561</b>

The amounts reflected in the table above are not impaired as on the reporting date.



## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

**Investments in bank balances**

The Company maintains exposure in cash and cash equivalents and term deposits with banks. Investment limits are set to minimise concentration of risks and therefore mitigate financial loss through counterparties potential failure to make payments.

**29. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management regularly monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements. Additionally, the Company has committed fund and nonfund based credit lines from banks which may be drawn anytime based on Company's fund requirements.

March 31, 2018		Carrying Amount	Contractual cash flows				
			Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>	<b>Non Current</b>						
	Borrowings	6.647.599	6.647.599	501.647	6.145.952		
	<b>Current</b>						
	Borrowings	1.374.258	1.374.258	1.374.258			
	Current maturities of long term borrowings	-	-	-			
	Payable to related parties	14.389.576	14.389.576	14.389.576			
	Trade Payables	1.073.726	1.073.726	1.073.726			
	Interest accrued on loans from related parties	717.897	717.897	156.369	561.528		
	Other Current Financial Liabilities	-	-	-			
		<b>24.203.056</b>	<b>24.203.056</b>	<b>17.495.576</b>	<b>6.707.480</b>	-	-

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

March 31, 2017		Carrying Amount	Brazilian Real Contractual cash flows				
			Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>	<b>Non Current</b>						
	Borrowings	3.044.597	3.044.597	2.566.404	478.193		
	<b>Current</b>						
	Borrowings	397.014	397.014	397.014			
	Current maturities of long term borrowings	-	-	-			
	Payable to related parties	10.604.233	10.604.233	10.604.233			
	Trade Payables	487.201	487.201	487.201			
	Interest accrued on loans from related parties	356.425	356.425	247.462	108.963		
	Other Current Financial Liabilities	14.378	14.378	14.378			
		<b>14.903.849</b>	<b>14.903.849</b>	<b>14.316.693</b>	<b>587.156</b>	-	-

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

April 1, 2016		Carrying Amount	Brazilian Real Contractual cash flows				
			Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>	<b>Non Current</b>						
	Borrowings	3.419.839	3.419.839	537.130	2.882.709		
	<b>Current</b>						
	Borrowings	491.145	491.145	17.686			
	Current maturities of long term borrowings	-	-	-			
	Payable to related parties	7.610.844	7.610.844				
	Trade Payables	314.758	314.758	7.969			
	Interest accrued on loans from related parties	95.112	95.112				
	Other Current Financial Liabilities	14.714	14.714	641			
		<b>11.946.411</b>	<b>11.946.411</b>	<b>563.425</b>	<b>2.882.709</b>	-	-

**30. Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions in a currency other than its functional currency. The exposure relates primarily to the Company's operating activities (when the revenue or expense is denominated in foreign currency) and borrowings in foreign exchange. The impact of these fluctuations on the Company's profitability and finances is material.

The foreign exchange risks are identified, assessed, monitored and managed by the Company consistent with the overall objectives of the Company and in compliance with the applicable legal and regulatory requirements. The decision regarding hedging of foreign exchange transactions are made only with the approval of top management. Decisions regarding borrowing in foreign currency and hedging thereof are made after taking into consideration anticipated inflows / outflows in the form of imports / exports and driven by the need to keep the cost comparable.

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

The carrying amount of the Company's exposure to foreign currency at the end of the reporting period expressed in Brazilian Real, are as follows:

	Particulars	Currency	March 31, 2018	March 31, 2017	April 1, 2016
			Equivalent in reporting currency		
i)	Trade Receivable	USD	2.691.286	672.331	-
ii)	Trade Payable	USD	15.136.864	10.751.564	-
iii)	Long Term Borrowing	USD	7.365.496	3.401.022	-
iii)	Short Term Borrowing	USD	1.301.528	-	-
iv)	Others	USD	-	-	-
	<b>Total</b>				
	Currency	USD	<b>26.495.175</b>	<b>14.824.918</b>	-

The following significant exchange rates have been applied during the year:

Particulars	Year end spot rate as at		
	March 31, 2018	March 31, 2017	April 1, 2016
Reporting Currency / USD	3,3238	3,1684	3,5799

## Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes as at 31 March 2018 and 31 March 2017:

Change in exchange rate	Impact on profit before tax*	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Reporting currency / USD increase by 5%	1.047.393,55	627.852,04
Reporting currency / USD decrease by 5%	(1.047.393,55)	(627.852,04)

\* Holding all other variable constant.

## Notes to Financial Statements at March 31, 2018

Amounts in R\$, unless indicated

**31. Insurance Covarage**

Management considers that the relevant high risks value for all assets and commitments are covered by insurance local and corporate policies as disclosed bellow:

	<b>Maximum coverage</b>
Fire, explosion, lightning	3.000.000
Electrical damages	68.000
Vehicles damage	68.000
Robbery	200.000
Civil responsibility	41.000
Storm, hurricane, hail, smoke	135.000
	<b>3.512.000</b>

The work scope of our independent auditors not include issuing a note on the sufficiency of the insurance coverage, determined by the company management, which considered it enough to cover possible losses.

\*       \*       \*